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1 Q. During those initial four weeks or so, what
2 other meetings occurred for the purpose of your gathering
3 information about the LISC and its operations?

4 A. I think you could probably say virtually every
5 interaction that I had was in some way, shape, or form
6 learning or gathering information about the operation.

7 And, you know, for me to sit down and try to remember
8 exactly what those are -- I can remember the first couple
9 because it's a, you know, moment in time when you walk on
10 the job and it makes sense, but I don't know that I can
11 honestly pinpoint others.

12 Q. Let me show you a document that's previously
13 been marked deposition Exhibit 1, which is a January 17,
14 '97, meeting minutes, meeting between Pac Bell and MCI,
15 a --

16 Before we get on to Exhibit 1, during your
17 get-acquainted period, did you have any meetings with Liz
18 Fetter concerning past performance of the LISC?

19 Let me broaden that. Any communications with Liz Fetter?

20 A. I am sure Liz and I have discussed or discussed
21 in passing past performance and issues.

22 Q. So what issues did you discuss with Ms. Fetter,
23 and what did she advise you?

24 A. Within the context of our discussions, which was
25 never a meeting to sit down and talk about past
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1 performance at the LISC, as much as may have been the
2 content of other sessions, I think the nature of the

3 conversations were pretty similar to what I outlined
4 before, which are, you know, how are we going to build
5 capacity, how are we going to ensure that the operations
6 are more efficient than they were today, what our general
7 goals and objectives would have been, around that. I
8 don't recall -- I mean, in Liz' capacity, she doesn't get
9 down to what I will call the nitty-gritty detail of what's
10 going on in a given day in a work group, so they were
11 usually fairly high level discussions that would take
12 place. It might be, how did processing go today.

13 Q. When you say high level, you mean high in terms
14 of levels of generality?

15 A. Yes.

16 Q. And you mentioned that you discussed goals, for
17 example. What did you and she discuss concerning goals
18 for the LISC?

19 A. You know, moving on into my tenure in the
20 assignment in February, things like 4000 orders per day,
21 discussion would take place, and where we were against
22 that, and -- I mean, those would be the kind of goals we'd
23 talk about, backlog.

24 Q. And did that remain a goal in terms of LISC
25 capacity?

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1 A. I don't know that I would ever have defined it
2 as my goal, given that I don't know that I ever had
3 ownership over it, per se. It certainly became something
4 of which we did analysis on and tried to understand, could
5 we meet that -- could I meet that objective -- I mean,

6 that was something that was handed to me, to say you need
7 to do this, this is what the commitment is, and there was
8 constant testing back against it.

9 Q. Now, I didn't mean to imply that it was your
10 goal. Was that a requirement or an expectation that was
11 imposed on you by Pacific, that is to say, that you are in
12 charge of the LISC, make it handle 4000 orders per day?

13 A. Yes.

14 Q. And was that the goal at the time that you took
15 over?

16 A. I don't believe so. I believe that at the time
17 I took over, the expectation was 2000 by January, the end
18 of January, if my memory serves me correctly. I am not --
19 as -- did I know that we ultimately had to get to that
20 level of capacity, yes. Was it at that moment in time
21 when I came into the organization, no.

22 Q. We had discussion earlier that you had seen the
23 February 13 letter -- the December 13 letter to -- have
24 you seen the February -- the December 13 letter to Reed
25 Hundt concerning the commitment by Pacific to get capacity
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1 at the LISC up to 4000 orders per day by January 31, 1997?

2 A. No, I don't think I saw that letter until
3 sometime well into my stay in February, is my guess.

4 Q. Okay. I meant, have you ever seen it.

5 A. Yes, I have seen it.

6 Q. Does that refresh your recollection as to
7 whether, as of the time you took over, Pacific had an

8 existing goal of 4000 orders per day by January 31?

9 MR. KOLTO-WININGER: Sorry. I want to know if
10 your question is his knowledge as of that time or sitting
11 here today?

12 MR. PUDDY: Sitting here today.

13 MR. KOLTO-WININGER: I will object that it calls
14 for speculation; lacks foundation, but go ahead and answer
15 it.

16 THE WITNESS: Restate the question then.

17 MR. PUDDY: Q. Previously, you testified that
18 you thought that the goal at the time you started was
19 2000. I thought we previously discussed the letter to
20 Reed Hundt.

21 A. Yes.

22 Q. I wanted to see if the reference to that letter,
23 which was sent in December of '96, would refresh your
24 recollection that -- your recollection, as you sit here
25 today, that Pacific, as of the time that you took over in
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1 January, had a goal of achieving 4000 orders per day by
2 the end of January 1997?

3 MR. KOLTO-WININGER: I will make the same
4 objection. You go ahead and answer.

5 THE WITNESS: Yes. I believe at the time that I
6 took over, Pacific had an objective to get to 4000 orders
7 per day. Was I aware of that objective on the day I
8 showed up on the job, no.

9 MR. PUDDY: Q. But within about a week, you
10 became aware of it when Jerry Sinn advised you?

11 A. That's correct.

12 MR. KOLTO-WININGER: I think that's where you
13 guys had crossed.

14 MR. PUDDY: We made it back.

15 Q. Other than just a general capacity goal, did
16 Ms. Fetter discuss with you any other goals that she had
17 for LISC performance?

18 A. I mean, we talked about things within
19 organizational context, such as motivated employees, and
20 better communications, and things that you would want any
21 organization to have. We talked about the contract
22 objectives.

23 You know, I think everybody I bumped into would
24 remind me that we have contracts that govern the
25 operation, such as 24, four-hour FOC and three-day
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1 completion with 24-hour notification of the completion --
2 I mean, so those were always prevalent in most of the
3 discussions.

4 Q. How about parity? As a general rule, did
5 Ms. Fetter ever discuss with you the expectation that
6 there was parity in service afforded by the LISC?

7 A. I don't ever remember a specific conversation
8 with Liz addressing parity, but that notion and that issue
9 was kind of the fabric of our everyday dialogue around the
10 industry markets group. Decisions that I make on a given
11 day have to be balanced against the issue of parity, so we
12 may have, but nothing sticks out in my mind.

13 Q. Did you and Ms. Fetter ever discuss either
14 budgetary constraints or other constraints that you would
15 have to work under in order to achieve those goals with
16 the LISC?

17 A. Yes.

18 Q. What were you advised on those topics?

19 A. That I should be least concerned about the
20 budget and most concerned with getting the work done, and
21 doing what I needed to do to straighten out the operation.

22 Q. How about a time table for you to get the
23 operation straightened out, was that discussed?

24 A. I think there was always a expectation that it
25 would be next week, but I don't know that this was a
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1 realistic time table.

2 Q. Did you ever discuss with Ms. Fetter what a
3 realistic time table would be, from your standpoint?

4 A. No, not in -- I mean, I have clearly indicated
5 that it wasn't going to be next week, but I don't know
6 fundamentally. I don't believe I can predict the future
7 as to what's going to happen.

8 Q. You mentioned you had a number of conversations
9 with Jerry Sinn. During this initial four-week period,
10 did you have discussions with him about the existing
11 problems at the LISC?

12 A. We talked about virtually every aspect of the
13 LISC operation, problems, successes, issues.

14 Q. And what specific problems did Mr. Sinn advise
15 you of during that period?

16 A. Most of -- almost every conversation relative to
17 LISC would focus back on capacity.

18 Q. And did you and Mr. Sinn have any discussions,
19 during that period of four weeks or so, concerning the
20 goals for LISC operations?

21 A. Yeah. We -- as I mentioned earlier, he was the
22 one who informed me about the 2000 and 4000 commitments,
23 and he was the person who did a large part of my education
24 around what the contracts were, since he was involved in
25 negotiating most of the interconnection arrangements. And
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1 I guess I would characterize contractual obligations as
2 being goals.

3 Q. And did you or he have any conversations about
4 budgets or other constraints on your remedying the
5 problems at the LISC?

6 A. No.

7 Q. Did you have any discussions on how those
8 problems came to be while Mr. Sinn was in charge of the
9 LISC?

10 A. There was a, you know, a fair amount of
11 discussion of things that took place in the past -- I
12 mean, as you sit down and, for example, talk about systems
13 development, what took place here, why is this release
14 late, things like that, so in that context, yes.

15 Q. And what was his explanation for -- on a more
16 general basis, you mentioned earlier that you were brought
17 in because there was a perception that there was a need

18 for greater controls and so forth.

19 Did you reach an understanding as to why there
20 arose to be a need for more control? Why did the problems
21 exist, why did they come to pass before your arrival?

22 A. Control, I think, is the word that you are
23 using. I think I used the term focus.

24 Q. Okay.

25 A. I believe one of the dynamics is Jerry has a
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1 fairly large job himself in terms of managing the access
2 business, of which the growth levels in California are
3 extremely high. In addition, he still has responsibility
4 for the unbundled network elements.

5 Given the variety of change and the volatility
6 of the marketplace right now, it's just a belief that it
7 was stretching one person too thin to be able to
8 effectively manage all those issues with the rapid growth
9 in resale.

10 So to provide the focus, I had the luxury of
11 being able to focus exclusively on resale, not the access
12 business, not unbundled network elements and all the other
13 things that are going on within the industry right now.

14 Q. So it was just basically too much to expect
15 Mr. Sinn to handle, to handle the LISC along with all his
16 other duties?

17 MR. KOLTO-WININGER: Objection. Calls for
18 speculation; lacks foundation.

19 THE WITNESS: I think that's -- from what was
20 recounted to me when I was brought into the position -- by

21 what was recounted to me when I was brought into the
22 position, a major driver behind it.

23 MR. PUDDY: Q. Going back to your conversations
24 during the four-week get-up-to-speed period you had with

25 Ms. Fetter, did you have occasion to discuss with her the
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1 nature of complaints that had been lodged by the CLEC's

2 concerning the LISC?

3 MR. KOLTO-WININGER: I am going to ask you to
4 clarify. You mean the formal complaints that were filed
5 with the CPC?

6 MR. PUDDY: Actually, it was not intended to
7 refer to the complaints that were filed with the PUC. I
8 was talking about correspondence with market reps and
9 staff, saying that no one is paying attention to our
10 orders.

11 MR. KOLTO-WININGER: I wanted to clarify because
12 of the word complaints.

13 MR. PUDDY: Poor choice of words.

14 THE WITNESS: The only time I would have a
15 discussion with Liz about complaints would be one that she
16 may have received directly into her office, and whether or
17 not we had a specific conversation around one of those
18 during my first four weeks on the job, I don't remember.

19 MR. PUDDY: Q. Did you have a discussion with
20 her about complaints from the -- did you have a discussion
21 with her concerning --

22 MR. KOLTO-WININGER: Informal complaints.

23 MR. PUDDY: Q. -- informal complaints from the
24 CLEC's as a means of ascertaining what the problems were
25 with the LISC?

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1 A. We meet regularly with the customers, sometimes
2 jointly and sometimes on our own, and we often get the
3 feedback from those sessions in terms of what CLC's
4 believe the issues are. So I can recall, very early in my
5 tenure, having meetings with CLC's with Liz of which we
6 sat and listened to, I guess what you would generically
7 term as complaints or issues, that the CLEC's had.

8 Q. What were the issues you were advised of, not
9 enough time?

10 A. Most of them, you know -- obviously, the most
11 significant one that was usually on the agenda was order
12 processing and backlog, or inability to complete orders in
13 a timely fashion. But each CLC has kind of its own set of
14 issues and projects that they want to always address or
15 work on. Whether it's, could you dedicate representatives
16 to work our orders specifically, to, you know, what is
17 your recent estimate on volume and capacity. I mean, you
18 name it, there is a very broad waterfront of issues that
19 would come up in discussions.

20 Q. How about with Jerry Sinn, did you have
21 discussions with him in this time period concerning
22 informal complaints or issues raised by CLEC's?

23 A. Whenever Jerry and I would sit down and he would
24 educate me about the contracts or the requirements or
25 goals, frequently it would come up within context of

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1 during negotiations with the CLC, what their hot buttons
2 were, or they really wanted to have this. During
3 negotiations with this one, their motivation was this. So
4 there was always a discussion around what their customer
5 requirements were or what their particular motivation or
6 issues were.

7 Q. You mentioned that Liz Fetter told you that your
8 budget should be -- should be the least of your concerns.
9 Do you have a budget?

10 A. Yes, we have a budget.

11 Q. How was the budget arrived at for the LISC?

12 MR. KOLTO-WININGER: If you know.

13 MR. PUDDY: All of my questions are to your
14 knowledge.

15 THE WITNESS: I inherited the business plan for
16 this unit when I came in, so I don't know how it was
17 arrived at.

18 MR. PUDDY: Q. So you inherited the budget for
19 the current budget period which runs from what date to
20 what date?

21 A. January through December.

22 Q. And given the decisions that you have made
23 concerning hiring and so forth, does the existing budget
24 impose any constraints on your plans?

25 A. No.

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1 Q. You have enough money there to do what you need
2 to do?

3 A. I didn't understand your question. There is not
4 enough budget money in the budget to do what I need to do,
5 but there are no constraints imposed on me.

6 Q. Basically, you have been told to do what you
7 need to do and ignore the budget?

8 A. Yes.

9 Q. Let's take a look at Exhibit No. 1 now. Who
10 does Liz Fetter report to?

11 A. Dave Dorman, president of Pacific Bell and CEO.

12 Q. You had mentioned that there were periodic
13 meetings directly with the clients. Is Exhibit 1 a copy
14 of the minutes of such a meeting between Pacific Bell and
15 MCI?

16 A. I don't really know. I wasn't involved in that.

17 Q. Have you ever seen a copy of Exhibit 1 before?

18 A. No.

19 Q. Your initial meeting was on January 16th, your
20 get-acquainted meeting; is that right?

21 A. Yes.

22 Q. This is dated the next day. Don Griffin was the
23 director of the LISC. This particular document refers to
24 Mr. Griffin, at the top of the first page, as the new

25 director of the LISC. Does that refresh your recollection
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1 as to when Mr. Griffin took over as director of the LISC?

2 A. No.

3 Q. The document purports to attribute to
4 Mr. Griffin acknowledgement of problems at the LISC,
5 including access to LISC personnel via calls, long hold

6 times, being referred to voice mail and lack of resources
7 to staff the LISC.

8 Did you become aware that MCI had any such
9 concerns during your initial four-week training period or
10 get-acquainted period?

11 A. I don't know if I ever called it a four-week
12 get-acquainted period, per se, but through conversations
13 with MCI that I personally had myself, some of these
14 issues came up.

15 Q. The long hold times, were you aware that MCI was
16 asserting that people had been placed on hold for as long
17 as hours, trying to get a hold of LISC personnel?

18 A. I believe, in the first meeting that I had with
19 Michael Beech of MCI, he raised that issue.

20 Q. First of all, did you do anything to check up to
21 see if MCI's assertions were true?

22 A. Yes.

23 Q. And what did you find?

24 A. Over what time period?

25 Q. What did you find out on that topic concerning
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1 any time period over which the LISC was in operation?

2 A. Depending on the inbound group that you are
3 referring to, the 800 number within the LISC or the LISC
4 support number, there had been different issues associated
5 with the number: Assignment group versus the general help
6 desk, et cetera.

7 I basically went out and looked at staffing

8 levels. Initially, we increased the staffing levels to
9 try to accommodate more volumes into the group; that did
10 not resolve the problem. We then went to a much more
11 rigorous force management approach and installed a ACD or
12 Automatic Call Distributor into the work group. Although
13 it improved the problem, it did not solve it.

14 At that point in time, I began making test calls
15 during the course of my day myself to see how quickly
16 calls were being answered. Depending on when I would call
17 in, I was not receiving hour long hold times that were
18 being suggested by the customers. That's not to say they
19 weren't occurring. There were also complaints that there
20 were long hold times into our repair organization.

21 What I then did is ask for a management
22 information system to be put in. The information that's
23 available on our maintenance service center gives me
24 definitive information on what the handle times are and
25 hold times are within that group, and I can see that on a
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1 daily basis. We recently have finished the installation
2 in the LISC and I am starting to get that on a daily basis
3 as well.

4 My perspective, over the last couple of weeks,
5 is that the problem has greatly improved, and I have not
6 had occasion, with most of the CLC's, of hearing
7 additional systemic problems. From time to time, there's
8 still moments of the day when there are issues and
9 backlogs, but it doesn't seem to be nearly the issue that
10 it was a month to two months ago.

11 Q. You have made headway in the problem now, mainly
12 by increasing staffing; is that right?

13 A. Partly by increasing staffing and partly by
14 getting the management information to understand at
15 what -- partly by increasing the staffing and partly by
16 changing our approach to management information, to find
17 out exactly how the call volumes are coming in and how
18 quickly we are answering them, et cetera.

19 Q. So you have staffing on a general basis, and
20 then staffing in terms of timing your staffing to match up
21 with the demand for the calls?

22 A. Right, so do we have enough open lines available
23 during the lunch hour, for example.

24 Q. All right. Would you concur that prior to these
25 steps, that there was a problem with the inordinate hold
0105
1 times and problems accessing LISC personnel via phone
2 calls?

3 A. Yes.

4 Q. According to these meeting minutes, Mr. Griffin
5 acknowledged a problem concerning the handling of
6 escalations and expedites at the January 17th meeting.
7 Did you come to be aware of what that problem was?

8 MR. KOLTO-WININGER: I am going to object to the
9 characterization or the phrasing of the question to the
10 extent that it assumes the underlying facts are true, but
11 go ahead and answer to your knowledge of the underlying
12 facts.

13 THE WITNESS: I am aware that we have had issues
14 around consistent processes and consistent processes that
15 handle escalations and expedites within the LISC.

16 MR. PUDDY: Q. What were the nature of those
17 problems?

18 A. In some instances, the nature is that the CLC
19 doesn't understand the difference between an escalation
20 and an expedite. In some instances, depending on what
21 issue they have, whether it was legitimate or not, they
22 are not clear on where the point of entry within Pacific
23 Bell should be. In some instances, they may understand
24 the point of entry but don't feel that the problem is
25 resolved in a timely manner.

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1 In some instances, while the problem may be
2 resolved from a parity perspective, they don't like the
3 outcome of the resolution and, therefore, there is a
4 dialogue that ensues around how you get better
5 satisfaction out of those types of transactions. They run
6 the gamut of things.

7 Q. So I can't repeat everything you just said, but
8 from your understanding, that most of the problems
9 pertaining to handling of escalations and expedites
10 pertain to misunderstandings or failures to understand on
11 the part of the CLEC's?

12 A. I don't think I said most of the problems were
13 attributed to that.

14 Q. No, I was trying to understand the import of
15 what you just told me in your answer.

16 A. I think all those issues play in any given day.

17 I don't know. I could tell you from an order of

18 magnitude, I don't think it's all or nothing, but I

19 believe it's probably more evenly distributed. Across the

20 waterfront of issues, there is no one that particularly

21 outweighs another.

22 Q. So you are saying that in some cases, the

23 problem arises from the CLEC -- misunderstanding on the

24 part of the CLEC and in about an equal number of cases, it

25 arises from some problem on Pacific Bell's side of the

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1 equation?

2 A. Or the other examples I provided, yes.

3 Q. As long as we are discussing, let's skip back to

4 a discussion we were having on the forecasts you reviewed

5 in February and the 4000 orders per day average goal.

6 Is the 4000 order per day goal sufficient to

7 handle the number of transactions projected in the

8 forecasts you reviewed in early February?

9 A. I don't know what the answer is in context of

10 how people arrived at the 4000. I can answer it in terms

11 of what I understand the numbers to be today, and what I

12 have done going forward, and the answer is no. 4000 per

13 day is not enough to meet the forecast.

14 Q. Now, in terms of your own planning, you are

15 setting the LISC up so that it will be sufficient to

16 comply with the forecast numbers, correct?

17 A. Yes.

18 Q. And right now, is the LISC still below the
19 capacity levels necessary to meet existing demand?

20 A. Yes.

21 Q. And I take it, the forecast is for demand to
22 increase over time?

23 A. Yes.

24 Q. And at some point, will the LISC capacity, if
25 things go as you plan, be sufficient to meet the forecast
0108
1 requirements?

2 A. Yes.

3 Q. And when will that occur?

4 A. Understanding that this is less than a perfect
5 science, it's more of a black art, and not being able to
6 really control exactly the distribution of what orders
7 come in, forecast is just that, a best pick. Our best
8 pick on that crossover point, when our daily capacity
9 matches the inbound, is in the October time frame of this
10 year.

11 Q. That October crossover, does that take into
12 consideration the existing backlog and the backlog that's
13 going to accrue?

14 A. I was going to answer that. It does not take
15 into account the backlog. We don't know what the backlog
16 will be at that point in time, and it's hard for me to
17 predict what the behavior of the CLEC's is going to be in
18 terms of, are they going to allow orders to grow
19 indefinitely, or are they going to hold them in some
20 threshold. So at that point in time, we would actually

21 have equal daily process into the inbound calling in.

22 Q. In order to catch up, you'd actually have to

23 increase the capacity further in order to eliminate the

24 backlog, correct?

25 A. Yes.

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1 Q. And when would you project that the backlog

2 would be cleaned up as well?

3 A. I have not made that kind of a projection,

4 because I have no clue as to what the backlog orders would

5 be and what the behavior of the CLC's will be.

6 Q. Does that assume implementation of EDI?

7 A. No.

8 Q. What assumptions did figure into the calculation

9 of the October crossover point?

10 MR. KOLTO-WININGER: Objection. Calls for a

11 narrative.

12 MR. PUDDY: Okay. Let me withdraw that.

13 Q. What are the primary assumptions that are

14 factored into the calculation of the October crossover

15 point?

16 A. I think, in the responses to one of your data

17 requests, this is enumerated, and I will just try to recap

18 that and maybe refer back to that.

19 There are many, many factors that have to be

20 taken into consideration. Obviously, raw order volumes is

21 one, then the distribution of those order volumes between

22 market segment, consumer versus business, the types of

23 orders that you are going to send over, new connects
24 versus disconnects, versus migration orders, versus change
25 service requests, the length of time that it takes an
0110
1 individual to process each one of those types of orders.

2 The percentage of orders that will have an error
3 or discrepancy in them that will require additional rework
4 to be done. The systems deliveries and systems
5 enhancements that will improve processing on certain order
6 types. The training levels of the employees coming on to
7 the job and how they are doing, relative to their skill
8 enhancement and their learning curve.

9 Off the top of my head, I'd say that those are
10 the major ones, and I may have missed a few other
11 parameters in the model.

12 Q. At what point do you anticipate achieving the
13 4000 order per day average volume?

14 A. I believe the documentation on a resale volume
15 is provided to you under cover in our previous and Jerry's
16 previous deposition, and so to avoid sealing this, maybe I
17 can refer back to that.

18 Q. Okay.

19 MR. ETTINGER: Just for the record, that
20 previously has been marked confidential, I believe. In a
21 discussion Mr. Kolto and I had, and I am not sure that
22 everybody is aware of this, that we agreed that that no
23 longer needs to be confidential, treated as confidential.

24 THE WITNESS: So you want me to answer it?

25 MR. KOLTO-WININGER: That's correct. We have

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1 agreed to not maintain a confidentiality claim with
2 respect to these numbers, and that the witness can testify
3 on the record without having to seal them.

4 THE WITNESS: So in reference to that document,
5 without having it in front of me, I believe the answer is
6 at the end of the third quarter 1997.

7 MR. PUDDY: Q. Let me show you what was marked
8 as Exhibit 7 -- so you do have the document in front of
9 you?

10 A. End of third quarter 1997.

11 Q. Does the October '97 crossover point assume that
12 flow-through would be implemented by then?

13 A. Could you be more precise, what you mean by
14 flow-through?

15 Q. Let me turn that around. Do you have an
16 understanding of the phrase, flow-through, insofar as it
17 pertains to the LISC?

18 A. I have a general idea what the nomenclature is.
19 I'd like you to be more precisely --

20 Q. Let's use yours rather than mine. What's your
21 understanding of the nomenclature, flow through, in terms
22 of discussing performance?

23 A. I reviewed flow-through in terms of a series of
24 systems enhancement that ultimately allow work to move
25 from the CLC to provisioning in our network or change in
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1 the billing without having intervention by human beings
2 touching that order. And that there are various levels

3 and various order types that ultimately can be facilitated
4 via flow-through.

5 The assumptions, to answer your question,
6 relative to attaining the 4000 by the end of the third
7 quarter, assumes that a release that we have had scheduled
8 in May, that provides some degree of flow-through for
9 migration orders, be implemented.

10 Q. And that May release, does that relate just to
11 the basic service, single line residential, single line
12 small business?

13 A. It's not necessarily just restricted to single
14 line, but yes, it is migration orders for residence and
15 business, noncomplex services.

16 Q. I think you previously identified who prepared
17 Exhibit 7. Could you again identify who prepared that
18 document?

19 MR. KOLTO-WININGER: If you have an
20 understanding.

21 THE WITNESS: I believe that document was
22 prepared by somebody in our legal department. I think it
23 was Peggy Garber.

24 MR. PUDDY: Q. Who was responsible for
25 generating the forecasts which form the basis for the
0113
1 capacity or the volume numbers in that document?

2 A. Which volume numbers are you referring to?

3 Q. For example, the 4000 to 4500 resale as of end
4 of third quarter '97 numbers.

5 A. The resale numbers, I am ultimately responsible

11 Q. And is there any effort ongoing at Pacific to

12 correct the way that the feedback is given to MCI?

13 A. Yes, there has been an ongoing effort for the

14 last two months. Requirements seem to move around on a

15 week-to-week basis, depending on the CLC we talked to, and

16 we haven't come up with a solution that meets the needs of

17 all the CLC's. And we are running out of time, because

18 the May release will probably make this a nonissue.

19 Q. With the May release, the problem will be

20 corrected, or are you saying with the May release, the

21 problem will become unresolvable?

22 A. The May release will allow MCI and other

23 carriers to do an as-specified listing and get the kind of

24 feedback that they are looking for, which no longer makes

25 the as-is a requirement.

0116

1 Q. On the following page, there is reference to

2 business markets, mass markets, 411 issues. Did it come

3 to your attention at some time that there was a problem

4 with customers who had migrated to CLEC's being dropped

5 from the 411 database?

6 A. Yes.

7 Q. And has that problem been addressed?

8 A. The Problem is being addressed and has been

9 under close observation for probably the last six to eight

10 weeks. The problem is not completely resolved at this

11 point in time.

12 Q. What's the current status of Pacific's

13 understanding of the source of the problem?

14 A. The primary issue is a systems capacity issue of
15 being able to attain enough throughput in our listings
16 application to process the listings in a timely enough
17 fashion.

18 Q. Where a customer has migrated from Pacific to a
19 Competitive Local Exchange Carrier, what change has to be
20 made in the listing?

21 A. If the listing is sent over as is, no change
22 needs to be made. If the listing is sent over as
23 specified, then the changes that the carrier specifies
24 need to be made.

25 Q. So if you have inadequate capacity within the
0117
1 listing area, how does that result in a customer being
2 dropped from the 411 database?

3 A. The 411 database is refreshed at certain
4 intervals. If we are unable to process the listing change
5 request in a timely enough manner, when the migration
6 order completes and the listing work has not been done and
7 the database then updates, it updates dropping the
8 customer from directory assistance.

9 Q. Is that a function of there being two orders, a
10 disconnect order and a change order, in connection with
11 every migration?

12 A. I don't know that I know the answer to that
13 question with certainty.

14 Q. Why would the customer who is in an existing
15 listing in 411 be dropped, if the order has not come

16 through to the listing department?

17 A. If the CLC wishes to keep the listing as it is
18 in the database, it will not be dropped. The listing
19 doesn't need to be processed. If the CLC specifies a
20 change to the listing, then the listing needs to be
21 processed. And it's that situation that causes the
22 fall-out.

23 Q. Right. I understand that, but until the listing
24 is processed, doesn't the -- the customer should remain in
25 the database because there is nothing in the process to
0118
1 remove him, unless there is one order that removes and one
2 order that adds?

3 A. Well, the current listing needs to be -- let me
4 back up.

5 The listings database has to show ownership of
6 the listing by CLC, so it is not when the SORD order flows
7 through to terminate the customer's migration with
8 Pacific, the customer's life cycle with Pacific, we need
9 to track that listing to show that it is no longer owned
10 by Pacific. So that has to be done at the point in time
11 that the order is processed. Then re-inputting that
12 listing, showing ownership for the new CLC, needs to take
13 place as a separate transaction.

14 Q. And will those two events continue to be handled
15 as separate transactions once flow-through is implemented
16 in, say, May of this year?

17 A. There will be a separate transaction but it will